GOVERNMENT OF ANDHRA PRADESH
A B S T R A C T

Municipal Administration & Urban Development Department – Visakhapatnam Urban Development Authority – Auction of bulk land – Release of an amount of Rs.98,13,40,000/- to Visakhapatnam Urban Development Authority - Refund of balance amount of purchase consideration to M/s. Devona Infrastructures (P) Ltd. – Administrative sanction – Orders – Issued.

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MUNICIPAL ADMINISTRATION & URBAN DEVELOLPMENT (H2) DEPARTMENT

G.O.MS.No. 201 **Dated: 14-09-2015**

Read the following:-

1. Representation of M/s.Devona Infrastructures (P) Ltd., dated:07.07.2008 addressed to the Hon'ble Chief Minister.
2 Government letter No.12272/H2/2008, MA&UD(H2) Department, dated:29.01.2009.
3 From the VC, VUDA, Visakhapatnam, Rc.No.549/2007/P.No.15/ MWD/F1, dated:12.02.2015.
4. Representation of M/s.Devona Infrastructures (P) Ltd., dated:12.02.2015.
5 Government letter No.12272/H2/2008, MA&UD (H2) Department, dated:18.08.2015.
6 From the VC, VUDA, Visakhapatnam, Rc.No.549/2007/P.No.15/F1, dated:26.08.2015.

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ORDER:-

In the reference 1st read above M/s. Devona Infrastructure Limited has requested the Government to refund the purchase consideration of Rs.98,13,40,000/- from Visakhapatnam Urban Development Authority (VUDA) since they have exercised the exit provision.

2. In the reference 2nd read above Government after examining the issue permitted the Vice Chairman, Visakhapatnam Urban Development Authority to refund the purchase consideration realized in the auction of bulk land in Plot No.15 in Madhurawada to M/s. Devona Infrastructure Ltd., duly following the procedure, in installments from out of the amounts that shall be realized from the future auctions of land, including the land in Plot No.15, Madhurawada.

3. In pursuance to the instructions of the Government, the VUDA has reported that, initially they have refunded the sum of Rs.10.50 Crores to the firm and balance amount has to be refunded from out of the amounts that shall be realized from the future auction of the lands including the land in Plot No.15 Madhurawada. Due to non-refund of the entire amount by the VUDA, the firm M/s.Devona Infrastructure Ltd. has approached the Hon'ble High Court and filed W.P.No.575/2010 for refund of the balance purchase consideration remitted to the VUDA with 18% interest per annum on the entire amount with effect from 06.04.2008 till the date of actual refund. The Hon'ble High Court in its order dt:09.02.2011 has ordered that the respondents shall refund the amount, due to the petitioner within a period of 3 months from today, in case the amount is not refunded it shall carry interest at 9% per annum from the date on which, the amount is due till the date of payment. Accordingly, the VUDA has so far paid an amount of Rs.19.50 Crores to the firm leaving a balance of Rs.78.63 Crores to be paid.

(P.T.O.)

4. In this regard the Vice Chairman, Visakhapatnam Urban Development Authority (VUDA) in the reference 3rd read above has further informed that M/s. Devona Infrastructure Ltd., became the successful bidder for Plot No.15, Madhurawada for a sale consideration of Rs.98,13,40,000/- (i.e., Ac.13.90cts. X Rs.7,06,00,000/- = Rs.98,13,40,000/-). Minutes were recorded on the day of auction assuring to provide the remaining extent of Ac.9.40 cts in 90 days with a provision of exit option in case of non fulfillment of that condition. M/s.Devona Infrastructure Ltd. has paid Rs.98,13,40,000/- towards purchase consideration for the above plot i.e., for Ac.13.90 Cts only. On 16-06-2008, the said firm addressed VUDA stating that since VUDA is not able to offer the additional land of Ac.9.40 Cts. within the time limit of 90 days, they have exercised the exit option from the auction deal of Ac.13.90 Cts. and requested to refund the entire purchase consideration of Rs.98,13,40,000/- also informed that the financial position of VUDA is not so strong to pay the balance amount of Rs.78.63 Crores to M/s.Deveona Infrastructure Pvt. Ltd. and requested the Government to directly do the payment of Rs.78.63 crores to M/s. Deveona Infra Pvt. Ltd. (or) to deposit the amount with VUDA since the entire sale consideration of Rs.98,13,40,000/- is paid to the Government towards budgetary support.

5. Government after careful examination of the entire issue in consultation with advisory bodies, have decided to deposit an amount of Rs.98,13,40,00/- to VUDA for refund of the balance amount to the Firm M/s. Deveona Infrastructures Pvt. Ltd. to avoid further legal complications in the matter.

6. Government therefore hereby accord administrative sanction for an amount of Rs.98,13,40,00/- towards Assistance to Visakhapatnam Urban Development Authority (VUDA) for refund of the balance amount to the Firm M/s. Deveona Infrastructure Pvt. Ltd. to avoid further legal complications in the matter.

7. This order issues with the concurrence of Finance (EBS-VIIMA&F) Department, vide their U.O.No.16465/179/A1/EBS.VII-MA&F/2015, dtated:10.09.2015.

(BY ORDER IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

R. KARIKAL VALAVEN
PRINCIPAL SECRETARY TO GOVERNMENT

To
The Vice Chairman,
Visakhapatnam Urban Development Authority, Visakhapatnam.

Copy to:
The Private Secretary to Principal Secretary to Chief Minister.
The OSD to Hon'ble Minister (MA)
The Private Secretary to Principal Secretary to Government, MA&UD
The Private Secretary to Principal Secretary to Government,
Finance Department.
The Finance (EBS-VII, MA&F) Department.
The Finance (BG) Department.

// FORWARDED :: BY :: ORDER //

SECTION OFFICER